CHAPTER: 11
CONCLUSIONS AND SUGGESTIONS

11.1 CONCLUSIONS

On the basis of analysis of data gathered in the course of this research, following are the conclusions relating to the evaluation of management of working capital in ten fertilizer companies under study:

IFFCO

- Inventory constituted 37.79%, the second highest proportion. A very high level of inventory was mainly attributed to the volume of manufacturing done by the company. The inventory to total CA was higher than the industry average 31.25%. Consequently, the ITR was 5.94 times but it was slightly higher than the industry average of 5.38 times.

- Receivables constituted only 11.72% of total current assets on an average indicating tighter and stricter credit policy of the company along with efficiency in collection of debts. While comparing with the industry average of 28.60% it was observed that percentage of debtors to total current assets was less than that of the industry. As a result, the RTR and ACP were also better than the industry average i.e. 25.90 times and 18.22 days respectively as compared to 7.51 times and 52.06 days for the industry respectively.

- Cash and bank balance were also below average, forming just 4.90% of the total current assets. This leads to the conclusion that the company believed in investing excess cash in profitable ventures or avenues. It also indicated that the company had better creditworthiness and lending terms with their bankers so as to meet their monetary requirement as and when required. The CTR of IFFCO was 7.81 times
also which was higher than the industry average of 2.85 times. Consequently the average age of cash was less i.e. 55.56 days as compared to 134.64 days of industry average.

Loans and advances formed the highest portion of total current assets i.e. 45.62%. A majority of the funds were blocked in Loans & Advances in the form of advances to suppliers, salary advances & loans to employees etc. The ratio of Loans & Advances to current assets was almost double of the industry average of 26.01%.

PTR of 8.70 times and APP of 45.90 days were better than the industry average of PTR 5.54 times and APP 71.56 respectively which means that IFFCO disposes of its payables well in time.

In case of IFFCO, a moderate negative correlation -0.45 was found between CR and PBTR. However, a higher moderate negative correlation of -0.62 was observed between QR and ROTA. There is also an inverse relationship -0.22 between NWC and profit. Besides inverse relation between NWC & profitability and NWC & profit, slope of trend line relating to net working capital is going upward.

It has been observed that STBB/L of 63.90% formed the major source for financing the working capital requirements in IFFCO followed by 31.51% creditors as against the industry average of 51.77% and 38.93% respectively.

KRIBHCO

Cash & Bank balances comprised the maximum portion of total CA i.e. 65% of the total CA which was almost 5 times more than the industry average of 14.03%, consequent to this the CTR & AAC was also not commendable as compared to the industry average. The CTR for KRIBHCO was 0.32 times leading
to high AAC of 1355.03 days while the same variable for the industry was 2.85
times & 134.64 days respectively. This clearly indicated that the company had
blocked massive liquidity in cash & bank balances.

❖ Receivables formed the second highest component of total CA i.e. 12.74% against
the industry average of 28.60%. The receivables turnover ratio was 7.74 times for
the company which was higher than the industry average of 7.51 times while the
ACP of 51.57 days was almost equal to the industry average of 52.06 days.

❖ The loan & advances were 12.66% of total CA which was half the industry average
of 26.01% indicating a reasonable level of control of company over its advances
and loans.

❖ Inventory as a percentage of total CA was 9.60% which was lowest among all the
companies of the sample of study. The industry average of inventory to total CA
was 31.25% which was almost 3.5 times of KRIBHCO. The company kept low
levels of inventory. ITR was 6.15 times against the industry average 5.38 and AIP
was 64.38 days against the industry average of 78.56 days.

❖ Negative correlation of -0.03 was found between CR and PBTR. However, a
higher negative correlation was observed between QR and ROTA i.e. -0.50.
There is also an inverse relationship of -0.56 between NWC and profit. Besides
inverse relation between NWC & profitability and NWC & profit, the slope of
trend line is going downward.

❖ PTR 7.48 times and APP 58.58 days were better than the industry average PTR
5.54 times and APP 71.56 days which means KRIBHCO disposes of its payable
well in time.

❖ It has been observed that 54.57% of Creditors formed the major source for
financing the working capital requirements followed by 45.43% of other sources, against the industry average 38.93% and 9.30% respectively. It was also observed that KRIBHCO did not have any short term bank borrowings and loans and it is assumed that the company is basically relying on its huge cash and bank balances and ploughing back profits for meeting its working capital requirements.

FACT

❖ Inventory formed the highest chunk of total current assets i.e. 46.65% on an average basis. This is comparable to the industry average of 31.25% which was considerably high. This resulted in low inventory turnover ratio of 4.28 times as compared to the industry average of 5.38 times and high average inventory period of 89.47 days against the industry average inventory period of 70.57 days. Almost half of the working capital funds were engaged in high levels of inventory. This in turn resulted in high inventory carrying cost and hence adversely effecting profitability of the company.

❖ Second major component of TCA was receivables. These constituted 33.22% while the same percentage for the industry was 28.60%. The high level of receivables was not justified by turnover as reflected by low RTR of 6.98 times which was slightly lower than 7.51 times of the industry average and ACP was 60.29 days against industry ACP of 52.06 days.

❖ Loans and advances were 11.85% of total CA as compared to the industry average of 26.01% indicating company’s control over its advances.

❖ Cash and Bank balances comprised 8.27% of the total current assets which was again lower than the industry average of 14.03%. The CTR was moderate at 8.10 times which was higher than the industry average of 2.85 times. The company’s cash was lying idle for 68.66 days on an average against the industry average of
134.64 days.

- PTR of 5.63 times and APP of 81.45 days were not better than the industry average of PTR 5.54 times and APP 71.56 days respectively.

- A positive correlation of 0.13 was found between CR and PBTR. However, a negative correlation was observed between QR and ROTA i.e. -0.07. There was also a positive relationship of 0.07 between NWC and profit. Besides positive relation between NWC & profit trend line of NWC was showing a downward slope.

- It has been observed that bank borrowing standing at 42.40% formed the major source for financing the working capital requirements followed by creditors as source at 33.62% against the industry average 51.77% and 38.93% respectively.

MFL

- Inventory constituted 46.40 % of total CA which was higher than the industry average of 31.25%. Keeping inventory at high level lead to low ITR of 4.63 times which was lower than the industry ITR of 5.38 times on an average. AIP was high at 90.42 days against 78.56 day of industry average.

- Loans and Advances were the second highest component of TCA. They were 41.37 % of TCA while the industry average for same was 26.01%. The advances given by the company either to suppliers or customers were massive and were not being taken seriously.

- Receivables were 7.71% of TCA which were almost 4 times less than the industry average of 28.60%. The RTR was highest among all the companies of sample under study i.e. 134.32 times which was above the industry average of 7.51 times. ACP was 15.91 days against 52.06 days in the industry.
Cash and Bank balances comprised 4.53% of the total current assets which was again lower than the industry average of 14.03%. The CTR was moderate at 21.44 times which was higher than the industry average of 2.85 times. The company’s cash was lying idle for 20.41 days on an average against the industry average of 134.64 days.

PTR was 4.19 times and APP stood at 161.39 days as against the industry average of 5.54 times and 71.76 days respectively.

High positive correlation 0.87 was found between CR and PBTR. Positive correlation 0.77 between QR and ROTA was also found. Beside high positive correlation of 0.90 between NWC and profit, it was found that trend line is showing a downward slope.

It has been observed that creditors formed 52.77% major source of financing of working capital followed by 34.49% STBBL against the industry average of 38.93% and 51.77% respectively.

NFL

Receivables constituted the highest proportion of total current assets with a share of 48.90% which was almost double of the industry average of 28.60%. The high receivables lead to low RTR of 5.46 times and ACP of 69.22 days against the industry average of 7.51 time and 52.06 days respectively. The high amount of receivables was a drag on profitability since it involves the opportunity cost of investing the funds in other lucrative business.

Inventory formed the second highest component of total current assets with a share of 35.53% slightly higher than the industry average of 31.25%. The ITR was somewhat satisfactory being 6.45 times as compared to the industry average of 5.38 times. AIP was 78.91 days against the industry average of 78.56 days.
Loans and advances were 9.77% of total current assets against the industry average of 26.01% indicating that the company was careful in granting advances to suppliers and employees.

Cash and bank balances were only 5.80% of total current assets as compared to the industry average of 14.03% indicating that the company has a policy of not keeping excess cash and bank balances. The cash turnover ratio also reflected the same as it stood at 17.88 times against the industry average of 2.85 times. AAC was 42.15 days against the industry average of 134.64 days.

PTR was 5.99 times against the industry average of 5.54 times whereas APP was 68.03 days against the industry average of 71.56 days.

A negative correlation of -0.08 was found between CR and PBTR, however positive correlation of 0.33 was found between QR and ROTA. Negative correlation of -0.15 was found between NWC and profit. In spite of this almost a constant slope was shown by the trend line of NWC.

It has been observed that creditors remained major source of financing of working capital at 49.95% followed by 42.15% from STBB/L against the industry average 38.93% and 51.77% respectively.

RCF

The receivables were 42.21% of total current assets as compared to 28.60% of the industry average. This adversely affected the RTR of the company which was as low as 4.69 times again falling short of the industry average of 7.51 times. ACP was also 80.38 days against the industry average of 52.06 days.

Inventories occupied the second position in total current assets with a share of 34.19% which was a bit higher than the industry average of 31.25%. The inventory turnover ratio was poor as it was 4.83 times only which was also lower than the
industry average of 5.38 times. AIP was 84.30 days against the industry average of 78.56 days.

- Loans and advances were 18.70% of total current assets which was lower than the industry mean of 26.01%.

- Cash and Bank balances formed a negligible portion of total current assets being only 4.91% against the industry average of 14.03%. The company had a good CTR of 10.38 times which was better than the industry average of 2.85 times. AAC was 45.99 days against the industry average of 134.64 days.

- A moderate negative correlation of -0.62 was found between CR and PBTR. A strong negative correlation of -0.77 was observed between QR and ROTA. Whereas a positive correlation of 0.32 was found between NCW and profit. The trend line of NCW shows an upward slope.

- PTR 7.80 times and APP 51.80 day was against the industry average of 5.54 times and APP 71.56 days respectively.

- It has been observed that STBB/L formed 43.42% of the major source of financing working capital followed by 32.84% from creditors against the industry average 51.77% and 38.93% respectively.

**CFL**

- In CFL receivables formed the highest proportion of total current assets with a share of 46.14% which was the highest among all the companies and also exceeded the industry average of 28.60%. The high level of receivables had a negative impact on the RTR which stood at only 6.47 times which was lower than the industry average of 7.51 times and ACP was 59.61 days against the industry average of 52.06.
The inventory held the second highest share in total current assets being 30.18% which was slightly lower than the industry average of 31.25%. The ITR of 6.79 times was comparatively better than the industry average of 5.38 times and IAP of 56.98 days against the industry average of 78.56 days. The company was doing comparatively well on inventory management front.

The loans and advances were 11.47% of total current assets which was lower than the industry average of 26.01% indicating that the company had contained the same.

Cash and bank balances were 12.14% of total current assets which was less than the industry average of 14.03%. The CTR was 9.21 times which was also better than the industry average of 2.85 times. AAC was 84.63 days against the industry average of 134.64 days.

A low positive correlation of 0.05 was found between CR and PBTR. A negative correlation of -0.27 was observed between QR and ROTA while positive correlation of 0.09 was found between NCW and profit. Trend line of NCW shows an upward slope.

PTR of 6.48 times and APP of 61.91 days stood against the industry average of 5.54 times and 71.56 days respectively.

It has been observed that creditors formed the major source; 52.21% of financing of working capital followed by STBB/L of 40.21% against the industry average 38.93% and 51.77% respectively.

GNVFC

Inventory constituted the maximum portion of total current assets with a share of 34.51% which was marginally higher than the industry mean of 31.25%. The ITR
was also not appreciable as it was only 4.75 times whereas the industry average was 5.38 times. AIP was 94.31 days against the industry average 78.56 days.

- Receivables closely followed the inventory as far as their share in total current assets was concerned. It was 34.12% which was also higher than the industry average of 28.60%. The RTR of 7.52 times was almost equal to the industry mean of 7.51 times. ACP was 51.02 days against the industry average 52.06 days. The performance in receivables management was satisfactory.

- Loans and advances were 22.78% of the entire current assets which however were marginally lower than the industry mean of 26.01%.

- Cash and bank balances comprised 8.59% of total current assets which were below the industry average of 14.03%. The CTR for the company was 14.33 times against the industry average 2.85. AAC was 70.03 days against 134.64 days.

- Moderately high positive correlation was observed between CR and PBTR i.e. 0.66. Same was the inference with regard to QR and ROTA where the correlation was 0.56. Correlation between NWC and profit also corroborate the same by giving a high correlation figure i.e. 0.82. Accordingly the company’s trend line of NWC has shown an upward slope.

- PTR of the company shows 4.26 times against the industry average of 5.54. APP shows 110.57 days against the industry average 71.56 days.

- It has been observed that 58.70% of creditors provided the major source of financing of working capital followed by 35.51% by STBB/L against the industry average 38.93% and 51.77% respectively.
Receivables formed the highest chunk of total current assets with a share of 44.32% against the industry average 28.60%. As a result of high receivables the RTR was 4.68 times against the industry average 7.51 times. ACP was 91.19 days against the industry average 52.06 days.

The inventory share stood at 37.37% which was far in excess of the industry average of 31.25%. The ITR was also poor as it was only 4.22 times falling short of the industry average of 5.38 times. AIP was 99.64 days against the industry average 78.56 days.

Loans and advances were 12.22% of the total current assets which was lower than the industry average of 26.01%.

Cash and Bank Balances were only 6.06% of total current assets which was less than half of the industry average of 14.03%. The CTR of 11.79 times was much higher than the industry average of 2.85 times. AAC was 51.09 days against the industry average of 134.64 days.

Weak positive correlation was found between CR and PBTR i.e. 0.06. However, an unsubstantial negative correlation was observed between QR and ROTA i.e. -0.07. Correlation between NWC and profit was -0.11. In spite of this trend the line of NWC is showing almost a constant slope.

PTR of the company shows 3.53 times against the industry average 5.54 times. APP shows 152.08 days against the industry average 71.56 days.

It has been observed that creditors formed the major source of financing of working capital which stood at 53.61% followed by STBB/L at 39.65% against the industry average 38.93% and 51.77% respectively.
NAFL

- The highest component of total current assets was in the form of receivables as they held a share of 40.21% which was considerably higher than the industry average of 28.60%. The high amount of receivables reflected poor RTR of 4.52 times against the industry average 7.51 times. ACP was 96.7 days against the industry average of 52.06 days.

- The second most prominent component of the total current assets was loans and advances with a proportion of 39.14% which was again higher than the industry mean of 26.01%.

- The inventory contrary to trend of industry occupied the third position in the total current assets. This was 14.14% as against 31.25% of the industry average. The company’s inventory management was commendable as it was comparatively better than all the companies of the sample. The ITR was 8.77 times which was also greater than the industry mean of 5.38 times. AIP was 70.57 days against the industry average 78.56 days.

- Cash and bank balances were only 6.51% of the total current assets while the industry average stood at 14.03%. The CTR of the company was low since it was 4.78 times against the industry average 2.85 times. AAC was 81.72 days against industry average 134.64 days.

- Negative and moderate correlation was observed between CR and PBTR i.e. -0.48 and same observation was made in case of correlation between QR and ROTA where it was -0.51. There is a negative correlation -0.37 between NWC and profit. The trend line of NWC is showing a downward slope.

- PTR of the company shows 5.31 times against the industry’s average 5.54. APP
shows 78.10 days against the industry average 71.56 days.

- It has been observed that STBB/L formed the major source of financing working capital which stood at 59.76% followed by the finances from creditors at 33.12% against the industry average of 51.77% and 38.93% respectively.

As per the ranking table no. 11.1 it is observed that in the cooperative sector, IFFCO is performing well on criteria of PTR&APP, DTR&ACP, CR, QR and PBTR front while KRIBHCO is managing its CR, QR, PBTR and ROTA quite well.

In case of public sector, FACT did well on DTR&ICP and PTR&APP only. MFL was doing fine as far as DTR&ACP and CTR&AAC were concerned. NFL operated well as far as ITR&ICP, CTR&AAC and ROTA were concerned. RCF managed PTR&APP, CR and QR quite reasonably.

In private sector, CFL did well for managing its ITR&ICP, PBTR, ROTA and PTR&APP. GNVFC managed PBTR, ROTA, CTR&AAC and DTR&ICP satisfactorily. GSFC performed well only on CTR&AAC and PBTR. NAFL competently handled its ITR&ICP, CR and QR.

Based on above findings of the ranking table no. 11.1, we can conclude that in the cooperative sector KRIBHCO managed its working capital and its components remarkably well. In the public sector RCF was performing satisfactorily while in private sector CFL managed its working capital commendably.

On the whole, KRIBHCO emerged as number one with regard to working capital management followed by IFFCO and CFL while sector wise comparison leads to the inference that cooperative Sector managed its working capital appreciably followed by the private sector and then the public sector.
### RANKING TABLE NO. 11.1

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<th>Private Sector</th>
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11.2 SUGGESTIONS

On the basis of afore discussed conclusions following are the suggestions for the betterment in the management of working capital of the ten fertilizer companies under study:-

- **IFFCO**: Company needs to pay heed to the accumulation of inventories in order to reduce the inventory carrying costs and the opportunity costs of funds blocked in huge inventories. ITR should be improved by enhancing sales and scaling down the inventories to optimal level. This may be done by using modern inventory control techniques, identifying slow moving and obsolete stock, classification of inventory into vital, desirable and essential items so as to weed out unnecessary inventory. Excess loans and advances is another area which needs to be focused upon. Efforts for recovery need to be initiated at a dedicated pace so as to curb their growth. Working capital should be contained to optimum level because working capital in excess of the requirement will only decrease the profitability. The company should try to reduce its dependence on short term bank borrowings/loans because they carry interest cost liability which in turn affects the company’s profits. The company should explore economical sources of working capital finance.

- **KRIBHCO**: The excess funds blocked in form of cash and bank balances need to be utilized and invested in a profitable manner. Receivables should be recovered quickly so that funds blocked there of may be recycled. Inventory should be brought at optimal level keeping in view the demand for the fertilizers and its sales. Company should depend not only on creditors for working capital; though these are inexpensive yet they affect the goodwill of the company. The company should explore other economical sources of working capital finance. There should be a better trade off between liquidity and profitability so as to benefit the stakeholders.
of the company.

- **FACT:** High inventories result in high inventory carrying cost and erode the profitability. Therefore, efforts should be made to lower inventories and bring them down to optimum. Debtors especially more than six months old should be checked and steps need to be initiated to recover pending amounts. Debts which are not recoverable should be written off and care should be taken in future while lending to those parties whose debts had been written off. The majority of funds for the working capital came from bank borrowings. The company should endeavor to reduce its reliance on short term bank borrowings/loans and discover additional sources from where working capital finance may be raised on cheaper terms.

- **MFL:** Presence of more than required huge amounts of inventories is harmful for the growth and profitability of the organization. Inventories again need to be checked and fixed to a minimum extent necessary for the purpose of production. High amounts of loans and advances reflect upon the poor management of the same. Efforts should be initiated to check outstanding advances due for a long time, check into their recovery status and if necessary write them off in financial books. At the stage of lending advances or loans, creditworthiness of vendors and past recovery records should be analyzed so as to prevent funds from being blocked in undesirable areas. Very high positive correlations existed for CR and PBTR as well as for QR and ROTA. This implied that profitability and liquidity were directly related as against the generally accepted notion of inverse relationship between the same. The working capital components should be carefully analyzed and the effect of each of the variable on profits should be examined. It would be wise to increase the quantum of those elements which positively affect the profits. The company should not rely much on the creditors for working capital finance as
these are at the cost of goodwill and should strive to maintain a balanced working capital financing mix.

- NFL: It is suggested that the credit terms offered to the debtors need to be reviewed and reworked so as to bring it down receivables to a level where they are well justified by the sales volume. Company should pay attention to its payables for keeping them at most favourable level. The company should make a tradeoff between the liquidity and profitability. Again excessive reliance on creditors for financing the working capital finance need was observed which needs to be checked as it may adversely affect the credit terms received from vendors. The need to have an optimum working capital financing mix was also felt.

- RCF: High amount of debtors in the company’s working capital structure was not a healthy indicator as far as the company’s profits were concerned. High debtors not justified by sales, increase the threat of bad debts thereby blocking funds. Steps to curb the menace of exorbitant debtors are required on urgent basis. Inventories need to be maintained at a level where they help in generating profits and should not hamper the bottom line growth. Adequate and cordial relations need to be maintained with creditors or vendors by making them prompt payments etc; so that they supply the necessary inventories as and when required. This helps in reducing the inventories. Supplies of raw material should be forecasted, demands for the finished goods etc; should be estimated and inventory levels may be set accordingly. A rising trend at a high pace for working capital was noticed which implied company’s intention of further piling up the current assets which if not justified by the sales volume, should be immediately reviewed. Instead of depending too much on external sources of finance, internal sources of financing working capital such as ploughing back some of profits may also be resorted to.
• CFL: Receivables are the focus area and need to be compared for their justification i.e. whether their increase leads to any positive impact on sales or not? If not they should be minimized. Relying too much on creditors for financing working capital is not suggested as it may adversely affect supplies, goodwill and negotiation terms. Payment to creditors should not be delayed beyond a reasonable period of time.

• GNVFC: Inventory policies need to be reviewed. Efforts should be made to forecast supplies and demands and set requirement of inventories. Replenishment lead time should be examined so that supplies may be calculated and unnecessary stockpiling should be avoided. Receivables also require attention of the management for their over dues. The credit policies of the company should be checked at regular intervals so as to incorporate the latest trends of the business environment as well as payment track record of the debtors, sales level etc. Liquidity and profitability should be traded in such a way that positive relationship between variables found during the study is beneficial. The company should keep its creditors at optimal level.

• GSFC: The receivables showed the maximum amount in working capital structure closely followed by inventories. The cash and bank balances were half of loans and advances in the working capital structure. Receivables being the highest dominant component of working capital structure require extra attention from the management side. Large amount of debtors should match with their ability to generate additional sales. Reasons should be looked into debtors outstanding dues for more than six months. Separate credit policies should be made for different debtors e.g. debtors contributing to large sales volume may be favoured in comparison to those who marginally increase the sales. Also strict recovery policies
need to be framed. As for as the financing of working capital structure is concerned
an optimum mixing of external as well as internal sources should be constructed.

- NAFL: It is suggested that the credit terms offered to the debtors need to be
reviewed and reworked so that receivables can be optimized. Funds blocked in
receivable can be used in profitable avenues. Also recovery of loans and advances
need to be commenced at a dedicated pace so as to suppress their growth. Company
should trade off the liquidity and profitability so that it contributes to the overall
health of the company and benefit its stakeholders. Construction of optimum
working capital structure is required where the components are chosen in a manner
that reduces the overall interest liability of the company.

The low ITR be improved through scaling down the inventories to optimum and
increasing sales. Modern and scientific methods of inventory control are applied so as to
prevent piling up of unnecessary inventory. Inventory control for various items require
taking into consideration cost of the item, criticality, lead time, consumption procurement
difficulties, etc. Some inventory control techniques include ABC analysis, VED analysis,
economic order quantity etc. Ordering procedures, lead time calculations, delivery
schedules should be reviewed and if necessary reframed at regular intervals. Strict control
over stock records should be maintained and frequent stock taking should be done.

RTR needs to be improved through reducing debtors and increasing sales. Control over
debtors involves various factors. It is necessary to ensure that billing and collection system
of the organisation is efficient and effective. In general, bills must be collected as
expeditiously as possible, but the cost of collection must not be allowed to exceed the
expected revenue. Ageing of debtors should be done. Ageing information must be
collected, maintained, reported, and acted upon in a standardized and consistent manner.
Defaulters should be identified and further granting of credit should be avoided until past
bills (debts) are recovered. In order to improve the CTR idle cash needs to be ploughed and invested in lucrative ventures so as to increase its utilisation.

Also training needs to be given to all the departments of the organisation associated with working capital in one way or the other. They should be made well aware of the ill effects of having excess working capital. Proper coordination should prevail among various departments such as purchase department, collection department, accounts and finance department etc; so as to smoothen the management of working capital.

On the whole, it may be inferred that the working capital management needs lots of improvement for the entire industry especially in the fields of inventory management and debtor management. Inventory and receivables constituted the major components of working capital. They need to be checked so as to contain the ill effects associated with their excess such as risk of bad debts, inventory carrying costs etc. Proper techniques of inventory and receivable management need to be adopted as discussed in above paragraphs for effective management of working capital.

11.3 SCOPE FOR FURTHER RESEARCH

Present study is an endeavour to evaluate the management of working capital in fertilizer industry of India. It also evaluates how far the working capital has been managed efficiently and effectively. There are some queries relating to the issue at hand which were knocked out from the domain of this study due to constraint of time and means. Those can probably be looked into further at a later date by the researchers. It may be of importance to other researcher working on interconnected areas. After the present empirical study, the scholar found the following areas of supplementary comprehensive study:

- As the present study is restricted to the selected companies of Indian fertilizer industry only, it can also be undertaken to weigh against the efficiency of management of working capital with foreign fertilizer industry so that
consequential evaluation should indicate the best fertilizer industry in the world of cutthroat competitive atmosphere.

- Another area for further study might be to contrast the effectiveness in management of working capital in fertilizer companies of developing countries like India in comparison to the peer companies of developed countries.

- As present study is restricted to the selected companies of Indian fertilizer industry only, it can also be undertaken to weigh against the efficiency of management of working capital with the other industries of India so that consequential evaluation should indicate the best industry in India.

- A larger sample of companies from fertilizer industry of India may be taken for further in-depth study on the working capital management.

- The researcher may extend the period of study to analyse the impact of liberalization on efficiency in management of working capital in fertilizer industry.